



INSPECTOR GENERAL REPORT

2007-04-0085

November 16, 2007

DOR EMPLOYEE THEFT (CAUSEY)

Indiana Inspector General David O. Thomas and Staff Attorney Amanda Schaeffer, after an investigation by Special Agent Charles Coffin, CPA Auditor Walter Hocker and Special Agent Thomas Hawkins, report as follows:

The Office of the Inspector General (OIG) conducted a criminal investigation of Department of Revenue (DOR) employee Deondra Lovette Causey (Causey) of Fort Wayne, Indiana. This investigation was launched at the request of DOR Commissioner John Eckart. OIG Special Agent Charles E. Coffin was assigned to investigate. To assist the OIG, Commissioner Eckart assigned DOR CPA Auditor Walter Hocker and Special Agent Thomas Hawkins.

The investigation revealed that Causey, a DOR auditor since 2001, committed multiple thefts and official misconduct offenses while employed by DOR. The State of Indiana is the financial victim of Causey's manipulation of DOR Returns Processing System (RPS) computer files and the theft of tax monies. Typically, she would fraudulently arrange for businesses and individual tax payers to remit their DOR tax payments in a manner that allowed her to divert these monies into her personal account or those of her friends.

Specifically, the following manipulations¹ by Causey between January 29, 2003 and March 28, 2007 resulted in the State of Indiana losing use of the tax monies through illicit tax refund warrants and direct deposits as well as interest the state paid on some of the illicit tax refunds.

Taxpayer 1

In 2004 Causey falsified RPS entries and diverted multiple tax funds paid by Taxpayer 1 in the amount of \$2,679. Causey then assisted her friend Jane Doe with her Indiana tax return submission and issued a false Tax Refund Warrant in this same amount to Jane Doe under the pretense that this was a valid refund.

Taxpayer 2

In 2006 Causey captured and deposited into her personal checking account a tax refund check in the amount of \$425 that was issued to Taxpayer 2.

Taxpayer 3

In 2007 Causey assisted Taxpayer 3 with federal and state income tax submissions. Causey persuaded Taxpayer 3 to issue Causey a blank check for her

¹ The names of and related details involving these victims are redacted to prevent further victimization.

to submit the state tax return at a later date. Causey then filled in the amount for \$2,800 and cashed the forged check and kept the proceeds.

Taxpayer 4

In 2004 Causey falsified RPS entries involving Taxpayer 4 and diverted these monies totaling \$1,591.68 to her friend Jane Doe under the false pretense that this was a valid refund to Jane Doe for the tax submission to which Causey assisted her.

Taxpayer 5

In 2006 Causey diverted a tax refund in the amount of \$550 issued to Taxpayer 5 to Causey's personal account.

Taxpayer 6

In 2007, tax records show that Causey manipulated RPS records of Taxpayer 6 and told Taxpayer 6 that he/she may be receiving various tax refunds although these frauds did not materialize. However, manipulating the RPS records fraudulently is a criminal offense itself.

Taxpayer 7

In 2005 Causey diverted \$2000 from Taxpayer 7's Retail Sales Tax account into another person's account, and Causey then diverted \$1000 of these funds to Causey's personal checking account.

Taxpayer 8

In 2007 Causey assisted Taxpayer 8 with tax returns, received the tax refunds issued to Taxpayer 8 and deposited a portion of these refunds into Causey's personal account.

The details of these findings were presented to the Allen County Prosecuting Attorney's Office in November of 2007 and the immediate arrest and criminal charges were immediately issued against Causey.

Dated this 19th day of November, 2007



David O. Thomas, Inspector General